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Attorneys for the Defendant Debtors

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS**

In re: PROSPECT MEDICAL HOLDINGS, INC., <i>et al.</i> , ¹ Debtors.	Chapter 11 Case No. 25-80002 (SGJ) (Jointly Administered) Rel. to Docket No. 1
AMANDA CANNAVO, on behalf of herself and all others similarly situated, Plaintiff, v. PROSPECT MEDICAL HOLDINGS, INC., <i>et</i> <i>al.</i> , Defendants.	Adv. Pro. No. 25-08001-sgj

DEFENDANTS' MOTION TO DISMISS COMPLAINT

¹ A complete list of each of the Debtors in these chapter 11 cases may be obtained on the website of the Debtors' claims and noticing agent at <https://omniagentsolutions.com/Prospect>. The Debtors' mailing address is 3824 Hughes Ave., Culver City, CA 90232.

NO HEARING WILL BE CONDUCTED HEREON UNLESS A WRITTEN RESPONSE IS FILED WITH THE CLERK OF THE UNITED STATES BANKRUPTCY COURT AT (ADDRESS OF CLERK'S OFFICE) BEFORE CLOSE OF BUSINESS ON JULY 11, 2025, WHICH IS AT LEAST 21 DAYS FROM THE DATE OF SERVICE HEREOF.

ANY RESPONSE SHALL BE IN WRITING AND FILED WITH THE CLERK, AND A COPY SHALL BE SERVED UPON COUNSEL FOR THE MOVING PARTY PRIOR TO THE DATE AND TIME SET FORTH HEREIN. IF A RESPONSE IS FILED A HEARING MAY BE HELD WITH NOTICE ONLY TO THE OBJECTING PARTY.

IF NO HEARING ON SUCH NOTICE OR MOTION IS TIMELY REQUESTED, THE RELIEF REQUESTED SHALL BE DEEMED TO BE UNOPPOSED, AND THE COURT MAY ENTER AN ORDER GRANTING THE RELIEF SOUGHT OR THE NOTICED ACTION MAY BE TAKEN.

Prospect Medical Holdings, Inc., Prospect CCMC, LLC and Prospect Crozer, LLC (the “Defendant Debtors”) hereby move to dismiss Plaintiff Amanda Cannavo’s adversary complaint (the “Complaint”) pursuant to Federal Rule of Civil Procedure 12(b)(6) and Bankruptcy Rule 7012(b). As set forth in the accompanying *Defendants’ Brief in Support of the Motion to Dismiss* (“Brief”) filed herewith in support of this motion, Defendant Debtors are likely to prevail on the merits;

The Complaint fails to state a claim for violation of Worker Adjustment and Retraining Notification Act, 29 U.S.C. § 2101 et seq, (the “WARN Act”). The Complaint fails to account for 20 CFR § 639.9 and, principally, the “unforeseeable business circumstances” exception contained therein, which applies to mass layoffs caused by business circumstances that were not reasonably foreseeable at the time that 60-day notice would have been required. 20 CFR § 639.9(b). The Defendants easily and publicly satisfy the elements of the unforeseeable business circumstances defense and therefore Plaintiff cannot state a claim for violation of the WARN Act. The unforeseen business circumstance – the lack of funding to maintain operations through a transition

of the hospitals – did not become probable until shortly before the date that the notices were issued. Therefore, the Complaint fails to state a claim for a violation thereof.

For these reasons, and those shown in the Brief and supporting appendix filed contemporaneously herewith, the Defendants respectfully request that the Court grant this motion, dismiss the Plaintiff's claims with prejudice, and grant all other relief to which the Defendants are justly entitled.

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Dated: June 20, 2025
Dallas, Texas

/s/ Rakhee V. Patel

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Certificate of Service

I certify that on June 20, 2025, I caused a copy of the foregoing document to be served by the Electronic Case Filing System for the United States Bankruptcy Court for the Northern District of Texas.

/s/ Rakhee V. Patel

Rakhee V. Patel